

EXHIBIT 1
GITA Memorandum to JCCR
October 30, 2003
Concerns of ITAC Members

Program Office

- Issue:** A number of Information Technology Authorization Committee (ITAC) members believe a telecommunication program office that will manage the privatization contract is an essential component for project success. They believe the program office should be fully functional at the time of contract commencement, properly funded and staffed with qualified personnel.
- References:** The Request for Proposal (RFP) (a) describes the role of the program office in the Retained Authorities section and (b) contains a high-level diagram of the relationship between the program office, the contractor, the agencies, the Government Information Technology Agency (GITA) and ITAC in Addendum B to the Statewide Telecommunications Roadmap (which is Attachment A to the RFP).
- GITA Input:** The functions of the program office are the statutory responsibility of the Department of Administration (ADOA) through its Arizona Telecommunications System (ATS) division. GITA has indicated to ADOA that it is statutorily required to submit a Project Investment Justification (PIJ) for the telecommunication outsourcing project. Addressing project management, funding, personnel, etc. are all key elements of the PIJ. GITA is planning to send a written request for the project PIJ to ADOA.

Evaluation Committee

- Issue:** ITAC believes the evaluation of the RFP will be time-consuming and will require a high level of focus and expertise. Some members of ITAC are concerned about whether the State has proper staffing to evaluate the RFP, including consulting support.
- References:** HB 2533 places responsibility for RFP evaluation on ADOA. The RFP contemplates issuance of the RFP by the State Procurement Office (SPO) on behalf of the State. By rule and custom, SPO forms and manages the evaluation committee.
- The Burton Group, the consultant engaged by GITA to assist with RFP development, is available to assist ADOA with the evaluation in accordance with their contract with the State.
- GITA Input:** GITA managers are available to serve as advisors to the evaluation committee consistent with GITA's statutory oversight and consulting role. GITA recommends that a member of AHCCCS – the major non-ATS, off-mall customer being outsourced in Phase 1 - be appointed to the evaluation committee.
- Of the \$500,000 set aside for RFP development in HB2533, GITA has expended less than \$230,000. The Burton Group has extensive expertise in telecommunication, has met with all involved parties over the last few months and is intimately familiar with the RFP. GITA therefore recommends that ADOA consider engaging the Burton Group to assist the evaluation committee with the evaluation.

Personnel

Issue: A few ITAC members are concerned about whether agencies have budgets for costs associated with analyzing and transitioning to outsourced management.

References: HB 2533 does not provide any funds to agencies for this purpose.

GITA Input: It is not uncommon for agencies to re-deploy resources to implement new initiatives. The additional work process described in the RFP contemplates provision of information to the outsourcer of a type (i.e., personnel, hardware inventory, maintenance contracts, etc.) maintained by each agency in the normal course of its business. The outsourcer (not the agency) will be required to prepare a proposal for transitioning the agency to the outsourced arrangement. Existing agency personnel should be able to review the vendor proposal and work with the vendor on any needed modifications.

Other

Some ITAC members have expressed concern regarding pricing controls and convergence costs. These issues are fully addressed in Exhibit 2, Cost Issues.